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Beaver Cr

1 IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE STATE OF MONTANA,
2 IN AND FOR THE COUNTY OF LEWIS AND CLARK

3 * * * * *

4 THE MONTANA WILDERNESS ASSOCIATION,)
5 and GALLATIN SPORTSMEN'S ASSOCIATION,)
6 INC.,)

No. 38092

7 Plaintiffs,)

8 -vs-)

9 THE BOARD OF HEALTH AND ENVIRONMENTAL)
10 SCIENCES OF THE STATE OF MONTANA; THE)
11 DEPARTMENT OF HEALTH AND ENVIRONMENTAL)
12 SCIENCES OF THE STATE OF MONTANA,)

BRIEF AMICUS
CURIAE

13 Defendants,)

14 BEAVER CREEK SOUTH, INC., a corporation,)

15 Intervenor.)

16 STATEMENT OF THE CASE

17 In the spring of 1974, a plat was submitted for approval to the Department
18 of Health by the developers of Beaver Creek South, a subdivision proposed for
19 development in the Gallatin Canyon. In June, 1974, the Department released its
20 final environmental impact statement on the subdivision, pursuant to the Montana
21 Environmental Policy Act (MEPA), 69-6504(b)(3), R.C.M. 1947. In July, Plaintiffs
22 in this action filed their first complaint, alleging, inter alia, the inadequacy
23 of the Department of Health's impact statement. On October 9, 1974 the Department
24 issued a "revised final" environmental impact statement (EIS). On February 11,
25 1975, this Court dismissed the complaint on ripeness grounds, and because the
26 complaint was not addressed specifically to this revised EIS. On February 14,
27 1975 the Department conditionally removed the sanitary restrictions from the
28 proposed subdivision. Plaintiffs filed a second complaint on February 20. The
29 second complaint again alleged inadequacies in the revised final EIS, and in
30 support of that allegation, noted that the EIS fails to comply with the
31 guidelines for preparation of environmental impact statements promulgated by
32 the Environmental Quality Council.

As the agency established by MEPA to oversee and coordinate the implementation

1 of the act, the Environmental Quality Council (EQC) takes interest in the present
2 action. The EQC is particularly concerned with the legal relationship between
3 MEPA and EQC's guidelines. It is the Council's position that the EQC guidelines
4 carry conclusive weight in determining whether an agency's actions comport with
5 the procedural standards imposed by MEPA. With the Court's permission, the
6 Environmental Quality Council submits this brief as amicus curiae in order to
7 clarify the legal status of the EQC guidelines, and to discuss the Department of
8 Health's failure to comply with those guidelines.

1 QUESTIONS PRESENTED.

2 As amicus curiae, the Environmental Quality Council will restrict its
3 discussion in this brief to the following questions:
4

5 I. WHETHER THE ENVIRONMENTAL QUALITY COUNCIL'S GUIDELINES FOR THE PREPARATION
6 OF ENVIRONMENTAL IMPACT STATEMENTS ARE ACCURATE EXPRESSIONS OF THE LEGISLATIVE
7 INTENT BEHIND THE ENVIRONMENTAL POLICY ACT, AND THEREFORE ENTITLED TO GREAT
8 WEIGHT IN THE COURT'S CONSIDERATIONS.

9 II. WHETHER THE DEPARTMENT OF HEALTH'S ENVIRONMENTAL IMPACT STATEMENT ON
10 BEAVER CREEK SOUTH FAILS TO COMPLY WITH THE ENVIRONMENTAL QUALITY COUNCIL'S
11 GUIDELINES AND IS THEREFORE INADEQUATE.
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1 I. THE ENVIRONMENTAL QUALITY COUNCIL'S GUIDELINES FOR THE PREPARATION OF
2 ENVIRONMENTAL IMPACT STATEMENTS ARE ACCURATE EXPRESSIONS OF THE LEGISLATIVE
3 INTENT BEHIND THE ENVIRONMENTAL POLICY ACT, AND ARE THEREFORE ENTITLED TO
4 GREAT WEIGHT IN THE COURT'S CONSIDERATIONS.

5 EQC's duties require it to construe and interpret MEPA.

6 In 1971, the Legislature, in the Montana Environmental Policy Act (MEPA),
7 69-6501 et seq., R.C.M. 1947, declared it to be

8 the continuing responsibility of the state of Montana to
9 use all practicable means, consistent with other essential
10 considerations of state policy, to improve and coordinate
state plans, functions, programs and resources (emphasis added)

11 to assure the preservation and enhancement of a wide range of environmental
12 values. (69-6503(a)) In addition to declaring that every person is "entitled
13 to a healthful environment" and noting that each person "has a responsibility
14 to contribute to the preservation and enhancement of the environment," (69-6503)
15 MEPA addresses itself specifically to the various state agencies, directing that

16 to the fullest extent possible, (a) the policies, regulations,
17 and laws of the state shall be interpreted and administered
18 in accordance with the policies set forth in this act, and (b)
19 all agencies of the state shall
20 (1) utilize a systematic, interdisciplinary approach...in
21 planning and decision making...
(2) include in every recommendation or report on proposals
for projects, programs, legislation and other major actions
of state government significantly affecting the quality of the
human environment, a detailed statement.... (69-6504) (emphasis
added)

22 The preparation of these environmental impact statements (EISs) has become
23 the most important practical procedure through which state agencies have
24 responded to the responsibilities imposed upon them by MEPA. The language of
25 MEPA makes clear that mechanical and superficial compliance with the policies
26 and procedures set out in the act will not be sufficient. Agencies are
27 required, "to the fullest extent possible," to make consideration of environmental
28 factors an essential part of their programs and policies.

29 The legislature was not content to leave the adoption of MEPA's policies
30 completely to the judgement of those agencies on whom the burden of
31 implementation was to fall. Section 8 of MEPA created the Environmental
32 Quality Council, a legislative agency, and entrusted to the executive staff of

1 of EQC the responsibility (inter alia)

2 (b) to review and appraise the various programs and activities
3 of the state agencies in the light of the policy set forth in
4 section 3[69-6503] for the purpose of determining the extent
5 to which such programs and activities are contributing to the
6 achievement of such policy, and to make recommendations to
7 the governor and the legislative assembly with respect thereto...
8 (i) to review and evaluate operating programs in the environ-
9 mental field in the several agencies to identify actual or
10 potential conflicts, both among such activities, and with a
11 general ecological perspective, and to suggest legislation to
12 remedy such situations (69-6514) (emphasis added)

13 In addition, all state agencies were to submit to the EQC by July 1, 1972,
14 their proposals for revising agency authority and policies to bring them into
15 conformity with the requirements of MEPA (69-6505).

16 Thus, it is the responsibility of the EQC to review, appraise and
17 evaluate agency programs and activities, to determine whether those programs
18 and activities are in compliance with the policies of MEPA, and to identify
19 conflicts among agency programs and with the ecological perspective of MEPA.

20 In order to evaluate agency activity in light of MEPA's policies, it
21 was necessary for EQC to interpret and construe ambiguous and vague portions
22 of the statute. These interpretations could then be applied to agency action
23 and the appraisals made. It is generally recognized that an agency charged
24 with the administration of a statute may interpret and construe that statute
25 in order to perform its functions:

26 where there is an ambiguity in the statute as to whether
27 the latter does or does not cover a particular matter, a
28 practical construction of the statute shown to have been
29 the accepted construction of the agency charged with
30 administering the matters in question under the statute
31 will be one factor which the court may take into consi-
32 deration as persuasive as to the meaning of the statute.
33 E. C. Olsen Co. v. State Tax Commission, 109 Utah 563,
34 168 P2d. 324 (1946)

35 See also, Skidmore v. Swift & Co., 323 US 134 (1944); U.S. v. Bergh, 352 US 40
36 (1956); Whitcomb Hotel Co. v. California Employment Commission, 24 Cal 2d 753,
37 151 02d 233 (1944). California Co. v. Udall, 296 F2d 384 (D.C. Cir. 1961).

38 The construction and interpretation by an administrative agency of the law
39 under which it acts provides a practical guide as to how the agency will seek
40 to apply the law, and an experienced and informed judgement to which courts
41 and litigants may properly resort for guidance. 2 Am. Jur. 2d, Administrative
42 Law § 236 Such an interpretation by the agency charged with overseeing the

1 implementation of a statute should "not be disturbed except for weighty
2 reasons." Brewster v. Gage, 280 US 327, 336 (1930).

3 Interpretations of MEPA by EQC, a legislative agency, represent the legislative
4 intent behind the law.

5 While these and other cases recognizing the validity of agency interpretation
6 of statutes are concerned specifically with administrative or executive agencies,
7 the reasoning applies with equal force to a legislative agency such as EQC.
8 Regardless of the branch of government with which an agency is affiliated, when
9 it is given the statutory responsibility to appraise and evaluate activities
10 and to make recommendations based on those appraisals, interpretation of the
11 statute by that agency is an essential and unavoidable concomitant to the
12 performance of its duties. Such interpretations have validity not because the
13 agency directly administers the statute, but because the interpretations are
14 "based upon more specialized experience and broader investigations and
15 information" than are available to other branches or agencies of government.
16 Skidmore v. Swift and Company, supra. This is especially the case when the
17 agency's interpretations express "the opinions of men who probably were active
18 in the drafting of the statute." Whitcomb Hotel Co. v. California Employment
19 Commission, supra, at 235. In this regard it should be noted that Senator
20 George Darrow, the sponsor of MEPA in the legislature, was chairman of the EQC
21 when the guidelines were first adopted by the Council.

22 Because of EQC's identification with the legislative branch of government,
23 its interpretations of the law have an important implication not shared by
24 executive agency rules and regulations. The legislative branch's function does
25 not terminate with the enactment of laws. It has the further responsibility
26 to keep an eye on the manner in which those laws are implemented. "One of the
27 fundamental concepts of our form of government is that the legislature, as
28 representative of the people, will maintain a degree of supervision over the
29 administration of governmental affairs." (Gellhorn and Byse, Administrative
30 Law, 82) Executive and administrative agencies do not have a completely free
31 hand in making policy. They are subject to legislative supervision to insure
32

1 that executive and administrative actions may accurately reflect legislative
2 intent. This is recognized on the Federal level:

3 For there to be truly effective checks upon administrative
4 action, the courts must be supplemented by congressional
5 oversight. The Congress is the one great organ of American
6 government that is both responsible to the electorate and
7 independent of the Executive. As the source of delegations
8 of administrative power, it must also exercise direct
9 responsibility over the manner in which such power is
10 employed. (B. Schwartz, An Introduction to American
11 Administrative Law, 70).

12 The Montana Supreme Court has recognized the same principle on the state level:

13 When the legislature confers authority on an administrative
14 agency, it may lay down the policy or reasons behind the
15 statute, and also prescribe standards and guides for the
16 grant of power which has been made...the legislature must
17 set limits on such agency's power and enjoin on it a certain
18 course of procedure and rules of decision in the performance
19 of its function. (Bacus v. Lake County, 138 Mont. 69, 354 P2d
20 1056, 1061 (1960))

21 Many of the administrative and executive agencies of the state have been
22 granted the authority to promulgate rules and regulations in order to perform
23 their duties. With respect to MEPA, it is necessary for many of those agencies
24 to develop procedures for the preparation and circulation of environmental
25 impact statements. The development of these procedures involves rule making
26 type activity, and rule making is essentially a legislative function. When
27 the legislature delegates legislative authority to other branches of government,
28 the responsibility to supervise that delegated authority is even more compulsory
29 than the general responsibility to oversee executive actions. All such
30 powers conferred upon administrative and executive agencies by the legislature
31 must be carefully circumscribed. "The delegation of uncontrolled discretion
32 is invalid. The legislature must specify a sufficiently clear test or
standard for an agency to exercise its discretion in making rules and
regulations." (Hampton and Company v. U.S., 276 US 394 (1928)). "The dis-
cretion conferred must not be so wide that it is impossible to discern its
limits. There must instead be an ascertainable legislative intent to which
the exercise of the delegated power must conform" (B. Schwartz, An Introduction
to American Administrative Law, P. 34)

Thus, the legislature, in the exercise of its law-making powers, has a

1 responsibility to assure that its policies are adhered to by the executive
2 branch. The legislature has a wide range of options to choose from in performing
3 its oversight responsibilities. An obvious one is control of appropriations.
4 Legislative approval of agency performance is tacitly extended or withdrawn
5 depending on the size of the budget granted to the agency. In addition,
6 amendatory legislation may revise an agency's duties or powers. In Montana,
7 as in many other states, the legislature has ultimate approval authority over
8 all rules and regulations promulgated by administrative agencies, and may, by
9 joint resolution, direct agencies to adopt or amend rules. (82-4203,1, R.C.M.
10 1947)

11 A device which Congress has used with some success on the federal level
12 is the establishment of standing or watchdog committees to oversee executive
13 performance in specialized fields. Standing committees have been charged by
14 law with responsibility for exercising "continuous watchfulness" of adminis-
15 trative agencies' execution of their assigned duties. (Section 136 of the
16 Legislation Reorganization Act of 1946 (60 Stat 831)) MEPA established the
17 EQC to carry out just such a watchdog function. Thus, the EQC's interpretations
18 of the requirements imposed on executive agencies by MEPA, while they do not
19 enjoy the binding effect of statutes or regulations, are an expression of
20 legislative intent which cannot be ignored by either the agencies or the courts.

21 The EQC, therefore, regards its guidelines as representing an accurate
22 interpretation of the requirements of MEPA, and entitled to great weight in
23 determining the extent to which an agency has complied with the law. Ultimately
24 of course, this is a question which can only be resolved by the courts. It is
25 for the courts to give the final and authoritative interpretation to statutes
26 (Davies Warehouse Company v. Bowles, 321 US 144 (1943); Whitcomb Hotel Company
27 v. California Employment Commission, 24 Cal 2d 753, 151 02d 233) and to
28 determine the legality of government activity. The EQC believes that the courts
29 must consider all relevant evidence and opinions in determining agency compliance
30 with MEPA. The EQC also believes that the Council's opinions are entitled to
31 special consideration because of its specific responsibility to monitor
32 compliance with MEPA. The following discussion, it is hoped, will clarify the

1 origin and development of EQC's guidelines, and will explain in more detail why
2 we believe the guidelines embody the most accurate statement of legislative
3 intent behind MEPA.

4 The National Environmental Policy Act and Federal Court Interpretation
5 of That Act Should Serve as a Model for Interpretation of MEPA.

6 The EQC guidelines have their origin in the guidelines developed by the
7 federal Council on Environmental Quality established by NEPA. They follow
8 closely the procedures developed by the CEQ, and represent the culmination of
9 four years of judicial and administrative interpretation and application of
10 NEPA and the various state environmental policy acts which are NEPA's progeny.
11 The guidelines are designed to provide for state agencies the shortest and
12 surest procedural path for compliance with MEPA.

13 There have been as yet no definitive judicial determinations in Montana of
14 the weight to which the EQC guidelines are entitled, but there has been a
15 wealth of litigation in the federal courts and in other states arising under
16 NEPA and the various state environmental policy acts. The role of guidelines
17 such as EQC's has been clarified in those jurisdictions, and provides helpful
18 guidance in determining the effect of EQC's guidelines in Montana.

19 As has been noted, the Montana EPA, like similar acts in other states
20 was modeled closely after the National EPA. Montana's Supreme Court has
21 recognized the importance of the judicial construction in other jurisdictions
22 of "borrowed" statutes. Although such construction is not binding, the Court

23 [has] long observed in [their] decisions that where a statute
24 is similar to one in a sister state, [they] should give con-
25 sideration to the construction which it had received by the
26 courts of the state where it had been previously adopted...

27 Cahill-Mooney Construction Co. v. Ayres
28 140 Mont. 464, 467, 373 P2d 703 (1962)

29 Further,

30 We understand the rule to be that the construction put upon
31 statutes by the courts of the state from which they are
32 borrowed is entitled to respectful consideration, and that
only strong reasons will warrant a departure from it...

33 Ancient Order of Hibernia v. Sparrow
(29 Mont. 132, 135-6 (1903))¹

1. It should be noted that the statutes referred to in the cited cases had
already received judicial interpretation in the sister states at the
time the statute was enacted in Montana, and this interpretation was
therefore considered part of the (informal) legislative history of the

1 statute. Judicial interpretation by sister states which occurs
2 subsequent to Montana's adoption of the statute in question may perhaps
3 carry less weight, but the principle of parallel construction still
4 applies.

5 Other states whose environmental policy acts closely resemble NEPA have
6 recognized the relevance of judicial and administrative interpretations of the
7 act on the federal level. In Friends of Mammoth v. Mono County, 8 Cal 3rd 247,
8 502 P2d 1049 (1972) an important California case arising under that state's
9 Environmental Quality Act (EQA), Cal P.R.C. Sec. 21000 et seq., the California
10 court noted that the EQA was patterned after NEPA, and that therefore
11 definitions provided by the federal Council on Environmental Quality (CEQ)
12 were relevant.

13 In view of the similarity between the federal and state acts,
14 the Legislature obviously was aware of the federal definitions
15 when the EQA was passed...Accordingly, the definitions promul-
16 gated by the CEQ are helpful to an understanding of the
17 subsequent California use of the word....

18 The New Mexico Supreme Court, in City of Roswell v. New Mexico Water
19 Quality Control Commission, 84NM560, 505 P2d 1237 (1973) noted that

20 ...the New Mexico Environmental Quality Control Act is closely
21 patterned after the NEPA...which has been characterized as the
22 most important legislative act of the decade, and also as our
23 "environmental constitution". It was surely intended that on
24 the state level NMEQCA would fulfill as important a role and
25 have as profound an impact as the national act
26 (505 P2d at 1240)

27 The courts of the state of Washington have also been influenced by the
28 similarity between their state environmental policy act and NEPA.

29 It is well settled that when a state borrows federal legislation
30 it also borrows the construction placed upon such legislation
31 by the federal courts...

32 Juanita Bay Valley Community Association
v. City of Kirkland, 9 Wn App 59, (510
P2d 1140, at 1146 (1973))

The federal act, then, can serve as a model, and the treatment by federal
courts of the CEQ guidelines will be helpful in determining the proper role
of Montana's EQC, and the guidelines which it has promulgated.

Before proceeding with a more thorough analysis of the federal experience,
it is necessary to clarify an uncertainty which has arisen as to the relevance
of that experience to Montana. The federal Council on Environmental Quality
is an executive branch entity allocated to the Office of the President. By

1 executive order, the CEQ has been given the authority to promulgate guidelines
2 within the statutory provisions of the National Environmental Policy Act. For
3 that reason, it has been suggested that the guidelines developed by the CEQ
4 are entitled to greater weight with federal courts than are EQC's guidelines
5 in Montana. This is not the case.

6 Although the CEQ is allocated to the executive branch of the federal
7 government, it has no more administrative responsibility than does the EQC.
8 Indeed, the language of NEPA creating the CEQ and describing its duties is
9 almost identical to the language of MEPA creating the EQC. Both agencies are
10 directed to appraise, review, evaluate, recommend. Nowhere in the federal
11 act are guidelines explicitly mentioned. The CEQ was given authority to
12 promulgate guidelines by executive order, (Executive Order 11514, 35 Fed. Reg.
13 4247, March 5, 1970) but that order neither expanded the CEQ's administrative
14 duties, nor determined the degree to which the guidelines would be binding on
15 federal agencies. As will be demonstrated in the discussion below, the federal
16 courts did not give weight to CEQ's guidelines simply because CEQ was identified
17 with the executive branch, or simply because of the executive order. Rather,
18 the courts have accepted CEQ interpretations of NEPA because of that agency's
19 duty to oversee the implementation of the Act, and its familiarity with the
20 requirements of preparing EISs.

21 The EQC's familiarity and expertise with respect to MEPA are exactly
22 analogous. Furthermore, the Montana legislature in House Joint Resolution 73
23 (see attachment) explicitly recognized the validity of EQC's guidelines, and
24 declared them to be, in at least one respect, an accurate representation of
25 legislative intent.

26 The Federal Courts Have Given Great Weight to the Comments and
27 Recommendations of the Federal Council on Environmental Quality, and
28 Have Incorporated CEQ Guidelines Into Their Judicial Decisions.

29 In the four years since NEPA was enacted there have been between two and
30 three hundred suits brought in the federal courts which have clarified many
31 aspects of the act and of the proper administrative implementation of the act.
32 In a large number of those cases, the courts have made references to the CEQ

1 guidelines and have often looked to those guidelines for direction and support.
2 In one of the leading cases, Greene County Planning Board v. F.P.C., 455 F2d
3 412 (2nd Cir., 1972) the court remarked that although it considered the
4 guidelines to be only advisory,

5 we would not lightly suggest that the Council, entrusted with
6 the responsibility of developing and recommending national
7 policies 'to foster and promote the improvement of the
8 environmental quality,'...has misconstrued NEPA.
9 (455 F2d at 421)

10 Even though the court appears to have qualified the authority of the guidelines,
11 it should be pointed out that the court was in no way ignoring or over-ruling
12 the guidelines. They were rather challenging the FPC's interpretation of
13 those guidelines, and, indeed, imposed even stricter procedural requirements
14 on the FPC than that commission had thought necessary.

15 Other courts have been more emphatic in their endorsement of the CEQ's
16 interpretation of NEPA. In Environmental Defense Fund v. Corps of Engineers,
17 325 F. Supp. 728, (E.D.Ark., 1971), the court gave great weight to the CEQ's
18 determination of the importance of a proposed federal action.

19 Such an administrative interpretation cannot be ignored except
20 for the strongest reasons, particularly where...[the] interpre-
21 tation...[is] a construction of a statute by the men charged
22 with the responsibility of putting that statute into effect.
23 (325 F. Supp. at 744.)

24 In SCRAP v. U.S., 346 F. Supp. 189; 412 US 669 (1972), the court quoted
25 the CEQ guidelines and indicated that in reaching its holding, the court relied
26 on those guidelines for support.

27 In light of [the CEQ's] interpretation of the statutory language,
28 we think it clear beyond a doubt that this order is a 'major
29 federal action'
30 (345 F. Supp. at 200)

31 In devising its resolution of the issue in that case, court considered the
32 guidelines to provide the proper model.

[W]e have decided to retain jurisdiction over this matter
so as to insure that any permanent tariffs which are permitted
to take effect are preceded by an impact statement in conformance
with NEPA and the CEQ guidelines (emphasis added)
(346 F. Supp. at 194-5)

The Sixth Circuit, in Environmental Defense Fund v. Tennessee Valley Authority,
468 F2d 1164 (1972), held against the TVA, at least in part, because of that

1 agency's violation of CEQ guidelines.

2 We conclude that appellants' contentions ignore the language
3 and policy of NEPA, violate regulations promulgated both by
4 the CEQ and by the TVA itself, and are against the clear weight
and trend of the case law that has developed under the act.
(468 F2d at 1172-3.)

5 After quoting from the guidelines at length as to the applicability of
6 NEPA to ongoing projects, the court summed up by saying:

7 Such an administrative interpretation by the agency charged
8 with implementing and administering the NEPA is entitled to
great weight.

(468 F2d at 1178)

9 Other federal cases in which courts rely on CEQ guidelines to support
10 their holdings include: Scientists Institute for Public Information v. AEC,
11 481 F2d 1076, 1088 (D.C.Cir., 1973) (cites guidelines for including
12 recommendations for appropriations as "major federal action"); Jicarilla
13 Apache Tribe of Indians v. Morton, 471 F2d 1275, 1285 (9th Cir., 1973) (quotes
14 guidelines with respect to requirements for a hearing); Hanley v. Kleindienst,
15 471 F2d 823, 828, 838 (2nd Cir., 1972) (quotes guidelines with respect to
16 threshold determination of "significance" of federal action); Environmental
17 Defense Fund v. Corps of Engineers, 470 F2d 289, 296-7, (8th Cir., 1972)
18 (cites guidelines in connection with retroactive application of NEPA, and
19 consideration of alternative courses of action); City of Boston v. Volpe,
20 464 F2d 254, 258 (1st Cir., 1972) (cites guidelines dealing with need to
21 consider cumulative effects of proposed actions); Calvert Cliffs Coordinating
22 Committee v. AEC, 449 F2d 1109, 1118 (D.C.Cir., 1971) (refers to guidelines
23 with respect to consideration of alternatives); Daly v. Volpe, 350 F. Supp.
24 252, 260, (W.D. Wash., 1972) (cites guidelines with respect to need for
25 public participation); Environmental Law Fund v. Volpe, 340 F. Supp. 1328,
26 1331-2 (N.D. Cal., 1972) (cites guidelines as to practicability of review of
27 ongoing projects); Izaak Walton League of America v. Schlesinger, 337
28 F. Supp. 287, 295 (D.D.C., 1971) (cites guidelines as to threshold deter-
29 mination of need for EIS); Goose Hollow Foothills League v. Romney, 334
30 F. Supp. 877, 879 (D. Ore., 1971) (quotes guidelines with respect to
31 definition of "major federal action").
32

1 EQC Interpretations of MEPA are Entitled to Greater Weight Than
2 are Interpretations by other Agencies.

3 It is fundamental that all administrative agencies are entitled to
4 interpret, to some degree, the statutes under which they operate, and these
5 interpretations are entitled to weight by the courts in determining the meaning
6 of the law. U.S. v. Bergh, 352 US 40 (1946); Kolovrat v. Oregon, 366 US 187;
7 Whitcomb Hotel Company v. California Employment Commission, 24 Cal 2d 753,
8 151 P2 233 (1944); State v. King Colony Ranch, 137 Mont. 145, 350 P2d 841
9 (1960). But it is for the courts to determine how much weight it is appropriate
10 to assign to such opinions. Lassiter v. Guy F. Atkinson Company, 176 F2d
11 984 (9th Cir. 1949). Where more than one agency has interpreted the same
12 statute, the courts may often have to choose among divergent interpretations.
13 The greatest weight should be given to the opinions of that agency which has
14 the most direct responsibility for the application of the policies established
15 by the statute in question; that agency

16 on whom the legislature must rely to advise it as to
17 the practical working out of the statute, and [whose]
18 practical application of the statute presents the
19 agency with unique opportunities and experiences for
discovering deficiencies, inaccuracies, or improvements
in the statute. E.C. Olsen v. State Tax Commission,
109 Utah 563, 168 P2d 324 (1946)

20 The federal courts have accepted as a rule that in the construction and
21 application of NEPA, the opinions of the CEQ are entitled to greater weight
22 than the determinations of other federal agencies. As the agency entrusted
23 with the supervision of the implementation of NEPA, "the [CEQ's] guidelines
24 were intended to govern HUD's environmental decisions...." Goose Hollow
25 Foothills League v. Romney, 334 F. Supp. 877, 879 (D. Ore., 1971).

26 In Ely v. Velde, 451 F2d 1130 (4th Cir., 1971), the Law Enforcement
27 Assistance Agency (LEAA) interpreted the Safe Streets Act as preventing it
28 from requiring a state agency to prepare an EIS before construction of a
29 prison facility with federal funds. The LEAA argued that its own interpreta-
30 tion of NEPA was controlling. The Court disagreed.

31 We are of the opinion that the LEAA's interpretation is entitled
32 to no such weight. The Safe Streets Act is not the only statute
under consideration here. What we are called upon to decide is

1 the relationship of three statutes,² each of which creates
2 an agency charged with its own administration...

3 The CEQ as the agency created by NEPA, interprets its governing
4 statute as binding on all federal agencies 'unless existing law
5 applicable to the agency's operations expressly prohibits or
6 makes compliance impossible.' (cites guidelines)

7 The Supreme Court has recognized that administrative practice
8 is not entitled to special weight when, as here, it clashes
9 with the interpretation given by other agencies to statutes
10 they were created to administer.
11 (451 F2d at 1135)

12 The court went on to uphold CEQ's interpretation of the LEAA's responsi-
13 bility to prepare an impact statement.

14 In Hanley v. Kleindienst, 471 F2d 823 (1972), Judge Friendly in a
15 dissenting opinion made clear this distinction between the front-line federal
16 agencies who are mandated by NEPA to consider environmental factors in their
17 decision-making, and CEQ, NEPA's "watch-dog"

18 Beyond the general scheme of the legislation, a court normally
19 looks for guidance, in the case of a statute calling for
20 administrative action, to the views of those charged with its
21 administration. [citations omitted] However, this does not
22 mean that dominating weight should be given to the views of
23 agencies upon whom NEPA placed a duty to make impact state-
24 ments when the result would be to relieve them from that
25 obligation...The NEPA established its own watch-dog agency,
26 the Council on Environmental Quality.
27 (471 F2d at 838)

28 In addition to the guidelines per se, the comments and memoranda issued
29 by the CEQ have often carried weight in the deliberation of the federal
30 courts. In Warm Springs Task Force v. Gribble, 6ERC 1747 (1974), the issue
31 was the adequacy of an EIS prepared by the Corps of Engineers. The CEQ in
32 a letter announced its opinion that the guidelines had not been followed
and that the EIS was inadequate in several respects. The district court
upheld the EIS, but Justice Douglas, acting as circuit justice for the
9th Circuit, overruled the district court solely on the basis that the
Court had ignored the CEQ recommendations, observing that "CEQ is given
authority under NEPA to: Review and appraise the various programs and
activities of the federal government in light of the policy set forth
[in NEPA]...(6ERC at 1748)." Justice Douglas concluded that

2. The National Historic Preservation Act was also involved here.

1 the Council on Environmental Quality ultimately responsible
2 for the administration of the NEPA and most familiar with its
3 requirements for EIS's, has taken the unequivocal position
4 that the statement in this case is deficient, despite the
5 contrary conclusions of the district court. That agency
6 determination is entitled to great weight [citations omitted]
7 and it leads me to grant the requested stay pending appeal in
8 the Court of Appeals (id.)

9 The full Supreme Court concurred in this opinion by denying a petition to
10 vacate the stay.³ Thus, the Supreme Court has recognized that, although the
11 CEQ's opinions are not technically binding, they are extremely persuasive
12 because of the particular responsibility and expertise of that agency. EQC's
13 responsibility and expertise derive from almost identical statutory language,
14 and should be equally persuasive.

15 It is just as true on the state level as on the federal level that the
16 special agency created by the Environmental Policy Act is in the best position
17 to interpret it. EQC's mandate is defined solely by MEPA, while executive
18 agencies have additional responsibilities elsewhere. In addition, EQC's use
19 of guidelines promotes the consistency of judgement to which courts give
20 particular weight. Federal Maritime Board v. Isbrandtsen Company, 356 US 481;
21 Mabee v. White Plains Publishing Company, 327 US 178. Furthermore, the
22 endorsement of the guidelines by the legislature in HJR 73 (see attachment) is
23 also entitled to weight by the courts. State v. Toomey, 135 Mont. 35, 335
24 P2d 1051 (1959); Mugavin v. Nyquist, 358 N.Y.S. 2d 980 (1974).

25 CEQ's guidelines are an accurate interpretation of NEPA not only because
26 of the general expertise developed by that agency, but also because of the
27 particular way in which the guidelines have been developed and revised over
28 the years.

29 The guidelines are revised from time to time in order to more clearly
30 reflect the prevalent judicial handling of NEPA. In turn, the federal courts
31 often incorporate, or expand on, the guidelines.

32 3. Other cases in which CEQ comments are relied on by the Court include
SCRAP v. U.S., 346 F. Supp. 189; Scientists Institute for Public
Information v. AEC, 481 F2d 1079.

1 This pattern of development is exemplified in Natural Resources
2 Defense Council v. Morton, 458 F2d 827 (D.C.Cir., 1972).

3 The holding of NRDC v. Morton in early 1972 discussed the need
4 to consider a broad range of alternatives whenever the proposed
5 action is an integral part of a broad federal program. Then,
6 in May, 1972, CEQ recommended to agencies that in certain situations
7 broad program statements would be appropriate in order to properly
8 assess the full scope of the environmental impact. This
9 recommendation drew on the ideas of NRDC v. Morton and made
10 them applicable to a wider range of agency actions. This
11 recommendation in turn served as one of the bases for the court's
12 holding in SIPI v. AEC, [481 F2d 1079 (D.C.Cir., 1972)] that
13 in large technology development programs, broad program statements
14 are required under NEPA in addition to subsequent individual
15 statements. Finally, the holding of SIPI v. AEC was codified
16 in the CEQ guidelines, thus transforming a policy concept into
17 a new legal requirement. The process resembles a feedback loop
18 whereby a new position taken by CEQ induces a corresponding
19 change which in turn produces a further change in the CEQ
20 interpretation of NEPA. This process has taken place throughout
21 the three years of NEPA's life...and...has been an intimate part
22 of the process of NEPA's growth.

23 (This discussion is taken from "CEQ Guidelines and Their Influence
24 on the NEPA", by Herbert F. Stevens in 23 Catholic Law Review 547
25 (1974), at p. 571.)

26 Another example of this process was provided by SCRAP v. U.S., 346 F.
27 Supp. 189 (1972), where the district court expressed dissatisfaction with the
28 Interstate Commerce Commission's inadequate compliance with NEPA.

29 Indeed, the draft [EIS] is so deficient that it may not comport
30 with the statutory requirement that the Commission permit comment
31 from interested parties before making its impact statement final.
32 (346 F. Supp. at 194 n. 8)

33 Thus the notion of a draft EIS, reflecting the two-stage review process
34 developed by the CEQ, was adopted by the court as the most acceptable way to
35 satisfy the public participation requirements of NEPA.

36 EQC's guidelines, modeled after CEQ's, incorporate the results of this
37 "feedback" process.⁴ In addition, EQC revises its guidelines periodically to

- 38 4. Some examples of judicial holdings which are part of EQC and CEQ guidelines:
- 39 1. Assessment of all impacts is required
 - 40 a. assessment must be made early in the decision making process;
41 Calvert Cliffs Coordinating Committee v. AEC, 449 F2d 1109.
 - 42 b. Concerned parties should be consulted; Akers v. Resor, 339
43 F. Supp. 1375.
 - 44 c. All known possible environmental consequences should be
45 addressed; Environmental Defense Fund v. Corps of Engineers,
 - 46 d. Economic and technical benefits must be weighed against the
47 environmental costs incurred in a particular action; EDF v.
48 Corps of Engineers, supra.
 - 49 e. A good faith effort requires a discussion of all impacts of
50 a given action, including political, social, economic, and cultural
51 impacts as well as ecological impacts; Calvert Cliffs, supra.

1 reflect problems which arise. Comments and suggestions from state agencies
2 play an important role in these guideline revisions. This incorporation of
3 agency experience adds to the weight to which the guidelines are entitled.

4 Conclusion

5 The federal courts have made it clear that although the CEQ guidelines
6 are not legally binding in a formal sense, they are entitled to great weight.
7 The courts have been consistently guided in their decisions by the interpre-
8 tations of NEPA provided by the CEQ. Most important, CEQ's guidelines and
9 current judicial opinions reinforce and complement each other in a dynamic
10 manner.

11 The guidelines of Montana's Environmental Quality Council were modeled
12 closely after the federal guidelines, and therefore have incorporated current
13 federal interpretations of environmental policy. Because of the similarity
14 between the federal and state acts and the federal and state guidelines,
15 the federal experience should be particularly relevant in applying MEPA to
16 the actions of state agencies.

17 In addition, the EQC guidelines reflect a process of evaluation of state
18 programs and consultation with state agencies which makes these guidelines a
19 particularly relevant interpretation of the Montana Environmental Policy Act.
20 The guidelines embody EQC's judgement, based on the four-year history of the
21 state and federal statutes and on expertise developed by the EQC staff during
22 that period, as to the proper interpretation of the requirements imposed on
23 state agencies by MEPA. They represent, in other words, EQC's interpretation
24

- 25
- 26 2. Environmental Impact Statement requires the early and thorough
27 circulation of a draft statement; later, all comments received must
28 be circulated; EDF v. Corps of Engineers, supra.
 - 29 3. Environmental Impact Statement process requires a thorough discussion
30 of all feasible alternatives, including the alternative of taking no
31 action; EDF v. Corps of Engineers, supra.
 - 32 4. Environmental Impact Statement requires a thorough discussion
of the problems and objections raised by commenting parties, Latham
v. Volpe, 455 F2d 1111.
 5. Environmental Impact Statement process requires that the document
be factual, specific, and allow non-expert readers to evaluate
conclusions intelligently. EDF v. Corps of Engineers, 492 F2d 1123.

1 of the legislative intent behind MEPA. The guidelines have been developed in
2 such a way that when they are followed, MEPA is almost certainly satisfied
3 (at least procedurally). But when agency action departs substantially from
4 the guidelines, compliance with MEPA, in EQC's judgement, is doubtful.

5 The EQC guidelines, therefore, should carry great weight in determining
6 the legal sufficiency of executive agency actions. A court's responsibility
7 is to determine whether an agency has violated MEPA, and the EQC guidelines
8 are the surest indication of whether or not MEPA has been satisfied. If the
9 agency's actions depart substantially from EQC requirements, the agency must
10 bear the burden of showing that it has not violated MEPA.

11 II. THE DEPARTMENT OF HEALTH'S ENVIRONMENTAL IMPACT STATEMENT ON BEAVER
12 CREEK SOUTH FAILS TO COMPLY WITH THE ENVIRONMENTAL QUALITY COUNCIL'S
13 GUIDELINES AND IS THEREFORE INADEQUATE.
14

15 The Department's Discussion of Alternatives is Inadequate

16 Section 69-6504(b)(3)(iii) of MEPA requires the detailed statement (EIS)
17 to include "alternatives to the proposed action." Section 69-6504(b)(4) goes
18 on to require agencies to

19 study, develop and describe appropriate alternatives to
20 recommended courses of action in any proposal which
21 involves unresolved conflicts concerning alternative
22 uses of available resources.

22 The federal courts, as a rule, have read these two clauses in conjunction.
23 (See, e.g., Calvert Cliffs Coordinating Committee v. AEC, 449 F2d 1109
24 (D.C.Cir. 1971)) to find that the discussion of alternatives in the impact
25 statement must amount to more than simply mentioning the alternatives. The
26 EQC guidelines, taken from the guidelines of the federal Council on Environ-
27 mental Quality, expand on these requirements:

28 A rigorous exploration and objective evaluation of
29 alternative action (including no action at all) that
30 might avoid some or all of the adverse environmental
31 effects is essential. In addition, there should be
32 an equally rigorous consideration of alternatives
open to other authorities. Sufficient analysis of such
alternatives and their costs and impact on the environment
should accompany the proposed action through the agency
review process in order not to foreclose prematurely
options which might have less detrimental effects.
(EQC guidelines 6.a.(4))

1 The discussion of alternatives in the EIS is a crucial part of the
2 environmental review process. MEPA puts a great deal of emphasis on the
3 utilization of an "interdisciplinary approach" by state agencies in making
4 their decisions (69-6504(b)(1)), and requires state agencies to coordinate
5 plans and programs with an eye to preserving environmental amenities for
6 future generations. 69-6503(a)) For these reasons, it is necessary that
7 the decision maker have before him

8 all possible approaches to a particular project (including
9 total abandonment of the project) which would alter the
10 environmental impact and cost benefit balance. Only in
11 that fashion is it likely that the most intelligent,
12 optimally beneficial decision will ultimately be made.
13 Calvert Cliffs Coordinating Committee v. AEC, 449 F2d
14 1109, at 1114

15 In NRDC v. Morton, 337 F. Supp. 165 (D.D.C.), the court emphasized that
16 the EIS should not merely mention the alternatives, but should attempt to
17 assess the environmental risk of each, in comparison to the main proposal.
18 The court also noted that alternatives beyond the power of the agency to
19 implement must be discussed. Professor Frederick Anderson, in his authoritative
20 book, NEPA in the Courts explains:

21 if alternatives were limited to those which [the lead agency]
22 could choose, the more basic question of how responsibility
23 could best be apportioned among the departments would be
24 ignored (p. 220)

25 In light of these requirements, the treatment of alternatives in the
26 Department's final revised EIS is clearly inadequate. (see p. 50, final
27 revised EIS) The Department does little more than mention three alternatives:
28 to approve the plat as submitted; to grant conditional approval pending
29 successful operation of the wastewater disposal system; to refuse to approve
30 the plat. There is no discussion, detailed or otherwise, of the environmental
31 impacts to be expected from the last two alternatives. There is no mention
32 of other alternatives, such as requiring larger and fewer parcels, which
would reduce environmental impact.

Perhaps most disturbing is the Department's statement that they are
unable to refuse approval because "there is no legal justification for
refusing to grant subdivision plat approval based on [environmental] grounds.

1 The EQC guidelines, in interpreting the policies set forth in MEPA, warn
2 against such an "excessively narrow construction of existing statutory
3 authorizations." (EQC Guidelines §2.a.) MEPA states explicitly that "the
4 policies, regulations, and laws of the state shall be interpreted and
5 administered in accordance with the policies set forth in this act."
6 (69-6504(a)) Furthermore, section 69-6504 (3) requires the impact statement
7 to discuss "(ii) any adverse environmental effects.... (v) any irreversible
8 and irretrievable commitments of resources which would be involved in the
9 proposed action..." (emphasis added) Thus MEPA requires a "systematic and
10 interdisciplinary" analysis of the proposal, not an analysis limited to the
11 particular expertise or jurisdiction of the agency.

12 In the landmark case, Calvert Cliffs Coordinating Committee v. AEC,
13 449 F2d 1109, the District of Columbia Circuit Court directly addressed
14 this question. In that case, plaintiffs challenged AEC regulations which
15 supervised construction of nuclear facilities, but which failed to provide
16 for an independent evaluation of water quality problems. The court rejected
17 AEC's approach to environmental analysis:

18 We believe that the Commission's rule is in fundamental
19 conflict with the basic purpose of the Act.

20 The sweep of NEPA is extraordinarily broad, compelling
21 consideration of any and all types of environmental
22 impact of federal action...

23 The Atomic Energy Commission, abdicating entirely to
24 other agencies' certifications, neglects the mandated
25 balancing analysis. Concerned members of the public
26 are thereby precluded from raising a wide range of
27 environmental issues in order to affect particular
28 commission decisions. And the special purpose of [NEPA]
29 is subverted. (Id.)

30 A large number of federal decisions have followed the lead of Calvert Cliffs
31 in broadening the environmental responsibilities of executive agencies.
32 (See, e.g., Silva v. Romney, 342 F. Supp. 783 (D.C. Mass., 1972); Hanly v.
Kleindienst, 409 U.S. 990; Kalur v. Resor, 335 F. Supp. 1 (D.D.C., 1971);
Getty Oil v. Ruckelshaus, 342 F. Supp 1006 (D. Del., 1972); EDF v. Corps of
Engineers, 348 F. Supp. 916 (N.D., Miss., 1972); Sierra Club v. Froehlke,
345 F. Supp. 440 (W.D. Wis. 1972); Daly v. Volpe, 350 F. Supp. 252 (W.D. Wash.
1972); NRDC v. Morton, 337 F. Supp. 170 (D.D.C. 1972); SCRAP v. U.S. 346 F.

1 Supp. 189 (D.D.C. 1972).

2 A case which is particularly relevant is Kalur v. Resor, supra. That
3 case involved a statute which authorized the Corps of Engineers to permit
4 the deposit of refuse matter into a navigable river under certain conditions.
5 The question in the case was whether the Corps was entitled to limit its
6 considerations to water quality, or whether NEPA required it to prepare a
7 comprehensive environmental analysis. The court held that the latter was the
8 case:

9 Congress...certainly did not grant a license to disregard
10 the main body of NEPA obligations. There are no specific
11 statutory obligations that the Corps of Engineers has that
12 prevents it from complying with the letter of NEPA....
13 Obedience to water quality certifications under the Water
14 Quality Improvement Act is not mutually exclusive with the
15 NEPA procedures. It does not preclude performance of the
16 NEPA duties. Water Quality certifications essentially
17 establish a minimum condition for the granting of a license.
18 But they need not end the matter. The Corps of Engineers
19 can then go on to perform the very different operation of
20 balancing the over-all benefits and costs of a particular
21 proposed project, and consider alterations above and beyond
22 the applicable water quality standards that would further
23 reduce environmental damage.

24 This interpretation of an agency's responsibility is directly applicable
25 to the Department of Health's duties under the Water Pollution Act (69-4801
26 et seq.) and the Sanitation in Subdivisions Act (69-5001 et seq.) Neither
27 of those statutes mandate that the Department must grant approval of a
28 subdivision upon a finding that certain specified prerequisites are met.
29 Rather, the statutes direct the Department (or the Board of Health) to adopt
30 rules for the administration of the laws. (69-4808.2, 69-5005) Where no
31 explicit conflict exists between the Department's permit authority and its
32 obligations under MEPA, the legislature's command that agencies comply with
the policies of MEPA "to the fullest extent possible" (69-6504) cannot be
ignored.

33 In any event, the Department's protestation that a non-approval decision
34 is without legal basis is totally irrelevant to the discussion of alternatives
35 in an environmental impact statement. The EIS is intended to discuss
36 environmental impacts of possible courses of action so that decision makers
37 will be able to arrive at a well-informed decision. It is not intended to

1 justify decisions already made. It is for that reason that MEPA requires
2 that the EIS "accompany the proposal through the existing agency review
3 processes," (69-6504(3)) and it is for that reason that the EQC guidelines
4 recommend that draft and final impact statements be distributed for comment
5 "at the earliest possible point in the agency review process in order to
6 permit meaningful consideration of the environmental issues before an action
7 is taken." (EQC Guidelines, 8.b.) (See, also, federal cases which have
8 rejected impact statements for being overly conclusory: EDF v. Corps of
9 Engineers (Gilham Dam), 325 F. Supp. 728 (E.D. Ark. 1970-71); City of New
10 York v. U.S., 337 F. Supp. 150 E.D. N.Y. 1972); SCRAP v. U.S., 346 F. Supp.
11 189 (D.D.C. 1972))

12 There is no Adequate Discussion of Cumulative Impacts of Subdivision
13 Development.

14 One of the fundamental purposes of a broad environmental policy law
15 directed to all state agencies is to promote a systematic, interdisciplinary,
16 and coordinated approach to decision making which impinges on the environment.
17 This means that an agency must look beyond the impacts of the particular
18 project considered in isolation, and must consider how that project relates
19 to the entire complex of executive decision making, both now and in the
20 future, in order that the state may

21 fulfill the responsibilities of each generation as trustee
22 of the environment for succeeding generations; and attain
23 the widest range of beneficial uses of the environment
without degradation, risk to health or safety, or other
undesirable and unintended consequences; (69-6503(a))

24 The EQC guidelines deal with this point at considerable length: (EQC
25 Guidelines 5.b.)

26 The statutory clause "major actions of State government
27 significantly affecting the quality of the human environment"
28 shall be construed by agencies from the perspective of the
29 overall, cumulative impact of the action proposed (and of
30 further actions contemplated). Such actions may be localized
and seemingly insignificant in their impact, but if there
is a potential that the environment may be significantly
affected, the statement shall be prepared.

31 In deciding what constitutes "major action significantly
32 affecting the environment," agencies should consider that
the effect of many State decisions about a project or a
complex of projects can be individually limited but

1 cumulatively considerable. By way of example, two suitable
2 illustrations can be drawn: (1) one or more agencies, over
3 a period of years, commits minor amounts of resources at any
4 single instance, but the cumulative effect of those indivi-
5 dually minor commitments amounts to a major commitment of
6 resources, or (2) several government agencies individually make
7 decisions regarding partial aspects of a major action. The
8 guiding principle is that the whole can be greater than the
9 sum of the parts. The lead agency shall prepare an environ-
10 mental impact statement if it is foreseeable that a cumulatively
11 significant impact on the environment will arise from State
12 action. "Lead agency" refers to the State agency which has
13 primary authority for committing the State government to a
14 course of action with significant environmental impact. As
15 necessary, the Environmental Quality Council will assist in
16 resolving questions of lead agency determination.

17 Such a cumulative approach is especially important in an area like the
18 Gallatin Canyon, where the fragile "carrying capacity" of the ecosystem is
19 in danger of being overwhelmed piecemeal. The Department's EIS recognizes
20 that this danger exists (final revised EIS, p. 43), but fails to deal with
21 the problem beyond mentioning it. The Department notes that the Gallatin
22 Canyon Study Team from Montana State University is currently addressing this
23 problem and that their reports are available to the public. The Department
24 then drops the subject without making the slightest attempt to integrate the
25 findings of the Gallatin Canyon Study into the impact statement.

26 For an impact statement to provide a good faith discussion of the
27 cumulative effect of a series of proposed or predictable developments, the
28 results of such a study should be included. And it is not a sufficient
29 excuse to say that the study is still in progress. The most acceptable course
30 of action may be to await the completion of the study. In his book, NEPA
31 in the Courts, Professor Anderson discusses this matter:

32 There are several objections to allowing action to continue
while further study is carried out. The increased commitment
of resources might swing the balance in favor of proceeding
with an otherwise undesirable project. Moreover, adverse
findings would be diluted, as they trickled in one after
another instead of being collected and cogently set forth
in one document for reviewers. One solution would be to
require the agency to seek out testimony on the range and
magnitude of the risks involved in proceeding without specific
studies. (p. 216)

33 In EDF v. Hardin, 325 F. Supp. 1401 (D.D.C. 1971) the court echoed this
34 analysis:

1 [The requirement that agencies utilize a systematic,
2 interdisciplinary approach]...makes the completion of an
3 adequate research program a prerequisite to agency action.
4 The adequacy of the research should be judged in light of
the scope of the proposed program and the extent to which
existing knowledge raises the possibility of potential
adverse environmental effects.

5 In view of the fact that by far the largest number of impact statements
6 received by the EQC deal with subdivision proposals, it is especially
7 important that an environmental analysis procedure be developed which will
8 address itself to the problems of cumulative impacts. As one example among
9 many, consider the statement on page 33 of the revised final EIS:

10 It is the consensus of opinion that the ultimate factor
11 that will control the amount of development in the Gallatin
12 Canyon will be the capacity of the highway to handle the
13 traffic load that would be generated. Beaver Creek South
would add to the traffic load on the highway, but...would
not be the development that would make reconstruction [of
the highway] necessary.

14 In other words, the problem is left for the future, when the options may have
15 been restricted by short-sighted decisions made in the present. What will
16 be the effect of future highway reconstruction in terms of air pollution,
17 fuel consumption, visual impact, etc? What will be the effect on this and
18 future subdivisions if highway reconstruction does not take place? What will
19 be the cumulative social, economic and environmental impacts of continued
20 subdivision development in Gallatin Canyon? If there is a density level beyond
21 which development should not be allowed, how and when should that line be
22 drawn? These are a few of the questions which are not even presented by the
23 Department's discussion. This failure is one of the most crucial inadequacies
24 in the revised final EIS.

25 The Need for a Programmatic Approach

26 Having reviewed some of the case law which explains the need for a full
27 discussion of alternatives and cumulative impacts, it is appropriate now to
28 put the Health Department's efforts into perspective. As the discussion above
29 has demonstrated, one of the fundamental themes underlying MEPA is the
30 coordination of state agency activity so that environmental matters may
31 receive a systematic treatment by all agencies. One of the most vexing
32

1 problems which arise in applying MEPA to actions such as the present one is
2 the limited expertise of the lead agency. Because of the current state of
3 the laws in Montana, the Department of Health is the only state-level agency
4 with approval authority over subdivisions. (The Subdivision and Platting
5 Act, 11-3859 et seq., gives the Department of Intergovernmental Relations
6 review authority, but IGR's approval is not required.) The statutes under
7 which the Department operates in this regard address themselves specifically
8 to water quality and waste water disposal. The Department has neither the
9 expertise nor the specific jurisdiction to deal with such matters as wildlife
10 preservation or highway construction (although the air pollution impacts of
11 increased highway travel make the latter somewhat more closely related to
12 Health Department responsibilities).

13 Nevertheless, MEPA imposes on the Department of Health and on all other
14 agencies of the state the duty to interpret and administer its policies and
15 regulations in accordance with the goals of MEPA. The preparation of an
16 environmental impact statement is the mechanism by which the Department of
17 Health, as "lead agency" must fulfill this responsibility.

18 (A strong argument might be made that the board of county commissioners
19 of Gallatin County ought to be the lead agency. The Subdivision and Platting
20 Act makes it their explicit responsibility to consider all environmental
21 impacts in making their decisions. That statute also seems to make the county
22 board an agent of the state, charged with the responsibility of seeing that
23 environmental matters are considered, so the board is arguably a "state agency"
24 to which MEPA applies. This interpretation of the law has not been widely
25 accepted, however, and in any event, the county board was not named as
26 defendant in this suit, so this must stand as a parenthetical comment.)

27 As mentioned above (p. 20, supra) one function of an EIS is to indicate
28 how responsibility in environmental matters can best be apportioned among
29 state agencies. For this reason, all impacts of the proposed action, from
30 the perspective of all relevant state agencies, should be presented in the
31 impact statement. In addition, discussions of possible related decisions
32

1 which might be made in the future by other agencies should be included.

2 Ideally, an impact statement should serve as a source of information and a
3 guide to decision making not only for the lead agency in the action under
4 immediate consideration, but also for other agencies making related decisions
5 now or in the future, and for the public in general. For this reason, an
6 impact statement must discuss thoroughly even those impacts and alternative
7 actions which the lead agency by itself is unable to control. This is the
8 meaning of the characterization of environmental policy acts such as NEPA
9 and MEPA as "full disclosure" laws:

10 The "detailed statement"...should, at a minimum, contain such
11 information as will alert the President, the Council on
12 Environmental Quality, the public and, indeed, the Congress,
13 to all known possible environmental consequences of proposed
14 agency action. (emphasis in original) EDF v. Corps of
15 Engineers. (Gillham Dam), 325 F. Supp. 728, at 759

16 And it is for this reason that the Department of Health has sidestepped its
17 responsibility to make full disclosure by noting that environmental decisions
18 are more properly made elsewhere (final revised EIS, p. 27-28).

19 It seems clear that the development of subdivisions in the Gallatin Canyon
20 (or any similarly fragile environment) will have a cumulative impact far in
21 excess of the impacts of any one subdivision taken by itself. Again, the
22 county rather than the Department of Health seems to be proper place for
23 long-range planning to occur. But again, the full disclosure responsibilities
24 placed on the Department as lead agency require a comprehensive "programmatic"
25 discussion of the cumulative impacts of increased development in the Canyon.
26 The Department takes a first step in this direction with its discussion of
27 predicted water impacts (final revised EIS, p. 44), but much more is necessary
28 to satisfy MEPA.

29 Procedures need to be developed so that an impact statement analyzes all
30 relevant impacts of future predicted development in the area. Ideally, such
31 a broad programmatic EIS could then serve as a basis for future decisions by
32 Health, by IGR, by the Highway Department, by the county. The comprehensive
programmatic approach would only have to be taken once in a given area--a
concerted effort by all agencies with relevant expertise--and future EISs for

1 particular projects would require only minimal updating and specifics.

2 This programmatic approach has not yet been developed by any agency,
3 but it is a necessity for compliance with MEPA. Without such a programmatic-
4 cumulative impact statement to back it up, the present EIS is insufficient.
5 This is not to say that the Health Department must necessarily base its own
6 decisions with respect to sanitary restrictions on the full range of cumulative
7 environmental effects of subdivision development, but as the responsible state
8 agency, the Department must prepare an impact statement which addresses those
9 matters, so that all decision makers are adequately informed of the issues.
10 Perhaps it is impractical to require the Department of Health to develop
11 the necessary procedures before approval for the present action can be granted,
12 but the responsibility to develop these procedures must be made clear.

13 Conclusion

14 For the above reasons, it is the position of the Environmental Quality
15 Council as amicus curiae that until a comprehensive programmatic impact
16 statement providing a full discussion of alternatives and cumulative impacts
17 is prepared, MEPA will not have been fully complied with.

18 Dated, this _____ day of May, 1975

19
20 Environmental Quality Council
21 Amicus Curiae

22
23 _____
24 John W. Reuss
25 Executive Director, EQC

26 By _____
27 Steven J. Perlmutter
28 Legal Assistant

29
30 _____
31 Supervising Attorney
32

HOUSE JOINT RESOLUTION NO. 73

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA CALLING FOR THOROUGH ECONOMIC ANALYSIS IN ENVIRONMENTAL IMPACT STATEMENTS AND DIRECTING THE ENVIRONMENTAL QUALITY COUNCIL TO ELICIT SUCH ANALYSIS FROM STATE AGENCIES.

WHEREAS, the Montana Environmental Policy Act, enacted by the 1971 Legislative Assembly, requires a full assessment of major agency actions with significant effects on the human environment; and

WHEREAS, the Montana Environmental Policy Act and the guidelines adopted pursuant to that act by the state Environmental Quality Council define human environment to include social, economic and cultural factors, as well as aesthetic and environmental factors; and

WHEREAS, the act and guidelines further require a rigorous consideration of all alternative actions and the full range of their economic and environmental costs and benefits; and

WHEREAS, full economic analysis has not typically accompanied agency actions requiring environmental impact statements, thus indicating a failure on the part of the Environmental Quality Council and state agencies to fully implement the Montana Environmental Policy Act; and

WHEREAS, it is a matter of serious concern to the legislature that this enactment be fully implemented in all respects,

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That all agencies of state government are hereby directed to achieve forthwith the full implementation of the Montana Environmental Policy Act including the economic analysis requirements of sections 69-6504 through 69-6514 and guidelines for fully integrated environmental and economic analysis of major actions with significant effects on the human environment; and

BE IT FURTHER RESOLVED, that economic analysis shall accompany environmental impact statements as required by the foregoing sections of the act and shall encompass an analysis of the costs and benefits to whomsoever they may accrue, including considerations of employment, income, investment, energy, the social costs and benefits of growth, opportunity costs, and the distribution effects; and

BE IT FURTHER RESOLVED, that the Environmental Quality Council is directed to monitor agency compliance with this resolution and to report to the 1975 Legislative Assembly the extent of agency implementation of the act's requirements for full economic analysis; and

BE IT FURTHER RESOLVED, that the executive director and staff are directed to fully perform the duties required by section 69-6514 to give consideration to economic goals and requirements of the state in implementation of the Montana environmental policy act; and

BE IT FURTHER RESOLVED, that copies of this resolution be sent to the Governor, the Environmental Quality Council, and all state agencies.

Approved March 16, 1974

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Certificate of Service

I, Steven J. Perlmutter, legal assistant for Amicus Curiae, do hereby
certify that the foregoing petition and brief Amicus Curiae was duly served
by mail upon the attorneys for the plaintiffs, defendants and intervenor on
this _____ day of May, 1975.

DATED this _____ day of May, 1975

Steven J. Perlmutter